

California Gambling Control Commission
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Thursday, May 19, 2005

MINUTES OF MAY 19, 2005
COMMISSION MEETING

OPEN SESSION

Chairman Shelton called the meeting of May 19, 2005, to order at 1:34 p.m., with Commissioners Cruz, Sasaki and Williams present.

Staff Participating: John Spittler, Deputy Director, Licensing Division and Cara Podesto, Manager, Licensing Division.

Upon motion of Commissioner Williams, seconded by Chairman Shelton and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved the meeting minutes of April 21, 2005, with amendments requested by Commissioner Sasaki to include detailed comments made by Julie Ruiz-Sierra, attorney for Juan Guzman on behalf of Don Juan Casino.

Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and carried in the call for a vote with Chairman Shelton and Commissioners Sasaki and Williams voting yes, Commissioner Cruz abstaining, the Commission approved the meeting minutes of May 5, 2005 with amendments to include Commissioner Sasaki's request made at the May 5 meeting that staff provide a list with their recommendations that identify each individual recommended for approval for licensure.

DECISION ITEMS

1. Applications for Work Permit:
 - a. Caesar's Club:
Maldonado, Maria
 - b. Chun, Tam
 - c. Bertolucci, Vincent
 - d. Daraseng, Phanvanh

- e. Houston, Jeffrey
- f. Mai, Yvonne

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the applications for a work permit for Maria Maldonado, Item 1.a., Tam Chun, 1.b., Vincent Bertolucci, Item 1.c., Phanvanh Daraseng, Item 1.d., Jeffrey Houston, Item 1.e., and Yvonne Mai, Item 1.f. Upon motion of Chairman Shelton, seconded by Commissioner Williams and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes the Commission approved the applications for a work permit for Maria Maldonado, Item 1.a., Tam Chun, 1.b., Vincent Bertolucci, Item 1.c., Phanvanh Daraseng, Item 1.d., Jeffrey Houston, Item 1.e., and Yvonne Mai, Item 1.f.

2. Applications for Key Employee License:

- a. Cameo Club:
Brisby, Jason
- b. Crystal Park Casino:
Ayjian, Terry
- c. Hawaiian Gardens Casino:
Grout, Nancy
Hanson, Robert
- d. Hollywood Park Casino:
Ayjian, Terry
- e. Palace Card Club:
Blanchard, Charles
- f. Palomar Card Club:
Tran, Tom

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Jason Brisby, Item 2.a. Upon motion of Commissioner Sasaki, seconded by Commissioner Williams and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved the application for a key employee license for Jason Brisby, Item 2.a.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Terry Ayjian for Crystal Park Casino, Item 2.b. and for Hollywood Park Casino, Item 2.d. Upon motion of Chairman Shelton, seconded by Commissioner Cruz and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved the application for a key employee license for Terry Ayjian for Crystal Park Casino, Item 2.b. and for Hollywood Park Casino, Item 2.d.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Nancy Grout, Item 2.c. Upon motion of Commissioner Sasaki, seconded by Commissioner Cruz, and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved the application for a key employee license for Nancy Grout, Item 2.c.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Robert Hansen, Item 2.c. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton, and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved the application for a key employee license for Robert Hansen, Item 2.c.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Charles Blanchard, Item 2.e. Upon motion of Chairman Shelton, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved the application for a key employee license for Charles Blanchard, Item 2.e.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a key employee license for Tom Tran, Item 2.f. Commissioner Williams made a motion to approve the key employee license application for Mr. Tran, indicating that his motion was to allow for discussion of the application. Chairman Shelton seconded the motion.

Commissioner Williams indicated his concerns with regard to criminal allegations noted in the staff recommendation concerning Mr. Tran.

Deputy Director Spittler suggested that the Commission table Item 2.f. and allow staff to conduct further review of the application of Mr. Tran.

Deborah DeRosier, Division of Gambling Control, indicated that the Division had completed its background investigation of Mr. Tran in 2003, and would agree to further investigate Mr. Tran's activities since 2003.

Commissioner Cruz suggested staff contact Viejas Tribal Gaming Commission and ask that they provide staff with the supporting evidence that was the basis for terminating Mr. Tran's employment.

Commissioner Williams cited Penal Code section 470(a) and (b), and Business and Professions Code section 19857 (a), (b), and (c), indicating these statutes were applicable to the Commission's consideration of Mr. Tran's application.

Chairman Shelton indicated his concerns with licensing an individual who had previously been terminated from employment by a tribal gaming agency for alleged criminal activities.

Commissioner Williams withdrew his motion to approve the application for a key employee license for Tom Tran, Item 2.f., Chairman Shelton withdrew his second to the motion.

Chairman Shelton moved to have Item 2.f., consideration of the application for a key employee license for Tom Tran, tabled. Commissioner Williams seconded the motion which unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes.

3. Applications for Key Employee License – Request for Withdrawal:

- a. Garden City Casino
Morganti, Dominic
- b. Gold Rush Gaming Parlor
Malone, Danny

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval without prejudice of the request for withdrawal of the application for a key employee license for Dominic Morganti, Item 3.a. Upon motion of Commissioner Sasaki, seconded by Chairman Shelton and unanimously carried in the call for a vote with Chairman Shelton, and Commissioners Cruz, Sasaki, and Williams voting yes the Commission approved without prejudice the request for withdrawal of the application for a key employee license for Dominic Morganti, Item 3.a.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval without prejudice of the request for withdrawal of the application for a key employee license for Danny Malone, Item 3.b. Upon motion of Chairman Shelton, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton, and Commissioners Cruz, Sasaki, and Williams voting yes the Commission approved without prejudice the request for withdrawal of the application for a key employee license for Danny Malone, Item 3.b.

4. Approval of Transfer of Shares

- a. Bicycle Casino : From Michael Gilbert, Karen Gilbert, The Karen Gilbert

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of transfer of shares from Michael Gilbert and

Karen Gilbert to The Karen Gilbert Trust for the Bicycle Casino, Item 4.a. Commissioner Williams moved to approve the transfer of shares for the Bicycle Casino, Item 4.a. Commissioner Sasaki seconded the motion, which unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes.

5. Application for State Gambling License – Request for Withdrawal:

- a. Saigon Casino:
 - i. Casino Associates II, Inc.
 - ii. Kelegian, Mark
 - iii. Minaiy, Hashem

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval without prejudice of the request for withdrawal of the application for a state gambling license for Saigon Casino, Item 5.a. Upon motion of Commissioner Sasaki, seconded by Commissioner Williams and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved without prejudice the request for withdrawal of the application for a state gambling license for Saigon Casino, Item 5.a.

6. Application for State Gambling License:

- a. Bicycle Casino: Farris-Gilbert, Savannah

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for a state gambling license for Item 6.a., Bicycle Casino: Savannah Farris-Gilbert a beneficiary of the Robert Gilbert Family Irrevocable Trust. Upon motion of Commissioner Sasaki, seconded by Commissioner Williams and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved the application for a state gambling license for Item 6.a., Bicycle Casino: Savannah Farris-Gilbert a beneficiary of the Robert Gilbert Family Irrevocable Trust.

7. Applications for Renewal of State Gambling License:

- a. Bicycle Casino: The Bell Gardens Bicycle Club – Joint Venture
- b. Cap's Saloon: Cap's Enterprises, Inc. - Corporation
- c. Mortimer's Card Room: Edward Williamson and Ok Hanna – General Partnership
- d. Phoenix Casino and Lounge: Phoenix Casino and Lounge, Inc. – Corporation

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a conditional state gambling license for Bicycle Casino, Item 6.a., through December 31, 2005, with the following condition applied to the license:

The Commission receives a state gambling license application by June 30, 2005 for the following trusts:

- 1. The Carter Trust*
- 2. Robert Gilbert Family Irrevocable Trust*
- 3. Drosis Family Trust*
- 4. Farnam Family Trust*
- 5. Fettis Family Trust*
- 6. Goodman Family Trust*
- 7. Krokover Family Trust*
- 8. Kunisaka Family Trust*
- 9. Beulah Levinson Deitch Trust*
- 10. Estate of Yoshiaki Ota*
- 11. Pinizzotto Family Trust*
- 12. Klee Ellis Weber Trust*
- 13. Katie Lee Dechamplin Living Trust*
- 14. Maureen Therese O'Dea Trust*

Upon motion of Chairman Shelton, seconded by Commissioner Williams and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved the application for renewal of a conditional state gambling license for Bicycle Casino, Item 6.a., through December 31, 2005, with the condition indicated by staff applied to the license.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a state gambling license for Cap's Saloon, Item 7.b., through November 30, 2005. Upon motion of Chairman Shelton, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved the application for renewal of a state gambling license for Cap's Saloon, Item 7.b., through November 30, 2005.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of a three-month temporary renewal of the state gambling license for Mortimer's Card Room, Item 7.c., through August 31, 2005. Chairman Shelton, indicating that his motion was for the purpose of discussing the application of Mortimer's Card Room, moved to approve a three-month temporary renewal of the state gambling license. Commissioner Williams seconded the motion.

Chairman Shelton indicating that the Commission had previously issued temporary licenses to Mortimer's Card Room, asked staff for a brief history concerning Mortimer's Card Room's state gambling license.

Manager Podesto, in response to Chairman Shelton, indicated that Mortimer's Card Room was previously issued a temporary license pending additional information from the Division on certain items of concern, which Manager Podesto further indicated that staff believes have now been resolved.

Commissioner Sasaki expressed concerns about there being one additional table on the floor of the gambling establishment.

Deborah DeRosier, Division of Gambling Control, indicated that the Division had conducted an audit of the gambling establishment and will be forthcoming with any areas of concern upon completion of the audit report. Ms. DeRosier further commented on the gambling establishment having an additional table on the floor that is used for training purposes and during tournaments as a no-purchase table, and indicated that this was standard practice in the industry.

The motion made by Chairman Shelton and seconded by Commissioner Williams unanimously carried in the call for a vote with Chairman Shelton and Commissioner Cruz, Sasaki, and Williams voting yes, the Commission approved a three-month temporary renewal of the state gambling license for Mortimer's Card Room, Item 7.c., through August 31, 2005.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the application for renewal of a conditional state gambling license for Phoenix Casino, Item 7.d., effective August 1, 2004 through July 31, 2005, with the following conditions:

1. *Licensee must submit to the Commission a written correction plan for all outstanding violations within 30 days of licensure. Licensee will also provide to the Commission copies of all written correction notices at the same time as each is submitted to the Division.*
2. *Licensee must submit a copy of all gambling enterprise employees locally issued work permits to the Commission on a quarterly basis.*
3. *Licensee must submit a copy of all advertisements promoting jackpots and/or promotions to the Division of Gambling Control on a monthly basis.*
4. *Licensee is prohibited from extending credit to employees of the gambling establishment.*

Upon motion of Commissioner Sasaki, seconded by Commissioner Williams and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved the applications for renewal of a conditional state gambling license through July 31, 2005 with conditions indicated by staff applied to the license for Phoenix Casino, Item 7.d.

8. Approval of Amended Articles of Incorporation:

- a. Saigon Casino: Big Valley Casino Management, Inc.

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend approval of the Articles of Incorporation for Saigon Casino, Item 8.a. Upon motion of Chairman Shelton, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission approved the Articles of Incorporation for Saigon Casino, Item 8.a.

9. Application for Tribal-State Compact Key Employee Finding of Suitability:

- a. *Paiute-Shoshone Indians of the Bishop Community of the Bishop Colony –
Paiute Palace Casino:
Orihuela, Betty Jean*

Deputy Director Spittler indicated that both the Division of Gambling Control and Commission staff recommend that the Commission deny the application for a Tribal-State Compact Key Employee Finding of Suitability for Betty Jean Orihuela, Item 9.a., because the applicant has a prior felony conviction. Deputy Director Spittler further indicated that under the provisions of Compact section 6.4.4 the Tribe intends to retain Ms. Orihuela as an employee. Upon motion of Chairman Shelton, seconded by Commissioner Sasaki and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the Commission denied the application for Tribal-State Compact Key Employee Finding of Suitability for Betty Jean Orihuela, Item 9.a.

CONSENT CALENDAR ITEMS:

There were no consent calendar items.

PUBLIC COMMENT:

John Schireck, Outpost Casino, urged the Commission to act expeditiously in making a decision regarding the state gambling license for Outpost Casino.

CLOSED SESSION:

Chairman Shelton announced that the Commission would not adjourn to Closed Session since there were no new matters under Government Code section 11126(e) that required discussions.

1. Commissioner Comments.

There were no comments from the Commissioners during this portion of the meeting.

ADJOURNMENT:

Upon motion to adjourn the meeting by Commissioner Williams, seconded by Commissioner Cruz and unanimously carried in the call for a vote with Chairman Shelton and Commissioners Cruz, Sasaki, and Williams voting yes, the meeting adjourned at 2:13 p.m.